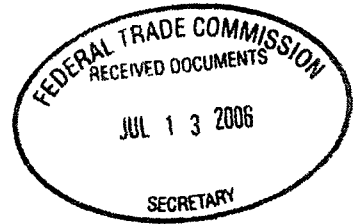


Ken Ames
[REDACTED]
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July 6, 2006

522418-70442

Federal Trade Commission
Office of the Secretary, Room H-135 (Annex W)
Re: Business Opportunity Rule, R51193
600 Pennsylvania Avenue, NW
Washington, DC 20580

RE: Business Opportunity Rule, R511993

Dear Sir or Madam:

I am writing this to you as this concerns me very much. You hopefully will read this letter as it regards the proposed "**New Business Opportunity Rule R511993.**" I am highly opposed to this rule and any type of additional regulations as there are already enough regulations and laws that we see and hear on the news before and after 911 that are not being enforced as it is.

I am hoping you get a moderate amount of letters stating their opposition on this matter. I believe that there are enough laws and regulations on the books concerning the basic business practices with standard rules and regulations, which should be enough to enforce proper conduct in this or any business.

By passing or creating more regulations and laws is not the answer in this matter. Enforcement is the answer in this matter. By passing these new regulations and laws is not going to prevent, stop or retard criminal activity or actions from occurring.

Almost everyday you here about on the news how the government body of some type is wanting to pass more regulations and laws. Arguing between each other trying to get their way. With all of these additional regulations that have been passed already and now, want more. All I see is, that it is and has done to this country. If this madness continues it will continue to drive legitimate businesses out of the United States to all other countries. We already see this happening with other industries in this country on the news of layoffs and plant closings from excessive regulations and taxation.

All the regulations and laws governing Corporations and Utilities like Enron, Tyco, and Worldcom (and many more) did not prevent the principles of these corporations from conducting one of the biggest scams in this country from occurring with 1,000s of individuals being financially hurt and in some cases destroyed. It was enforcement that made these criminals pay for their actions. But additional regulations are not going to prevent future misconduct from occurring, only enforcement.

All I see from this is, it will discourage companies and cause the person who wants to start a business. Those who want a business to grow and help themselves do better in life.

Why don't we use "National Audit Defense Network" (NADN) as our example, which in our case is a true story. Assuming your new regulations are in force. They opened their doors for a few years. Say, 3 years. They have sold to 1,000's their MallForAll.com website for \$2495 and then later you upgrade your site to benefit the handicapped for another \$4995 and include tax preparations and a business plan. They have lawyers and CPA's to help with all of your concerns and they do your taxes as well. They abuse the handicap law, which you do not know that but that is the case according to the IRS, which you will find out later after the fact. Now you are not a CPA or lawyer and there is no way you could know all of the regulations for the handicapped regarding the tax law. Now NADN could have called us Distributors or whatever to make it fit the law or regulation.

The IRS says we were ignorant in this matter. Does that mean that the people at Enron were ignorant too? Now you're a victim and ignorant too. How do you know that the principals of these companies are going to scam you? Will your new regulations send a red flag with a sign on it saying, "I'm stealing from you."???????? I do not believe they will. As I have seen with any regulation or law someone will find a loop hole or a way to get around it. Then another regulation or law is passed to close that.

How many other companies are out there working like NADN, Enron, Tyco and WorldCom in some form or fashion? The principal's just waiting till they can get all the bonuses, vacation homes and whatever. Then close the doors or better yet just disappear.

What of the companies that are overseas or as they say offshore. Doing the same to people today and getting away with it. Even with or without new regulations the principals could still do this. They could milk the public for millions and yet what are you going to do about it? Are there not laws and regulations? Is it a lack of enforcement of existing laws and regulations?

The problem I see is that it is a moral and ethical one. The principals that run these companies have no morals or ethics, in which has caused these companies to not be loyal to their employees. Now the employees are not loyal

to the companies. Seeing that the nature of the Corporations these days is to make money for the stockholders and to hell with the employees.

Just maybe all of these existing laws and regulations has caused these companies to some extent to become ruthless to satisfy these laws and regulations. Which has caused them to be less profitable and more complicated to run. Then they go overseas

Getting back to. The problem is not an industry that needs greater regulations. With the social acceptance of movie stars and such a portion of the sector of the public will believe anything they hear. If a Company looks like they are following the new proposed regulations. Then you are going to make the advent of future scams greater by appearing legitimate. This will actually make things worse. Again, I say what needs to be done is enforcement of existing laws.

I have been on the Internet since 1997. I have also been involved in the MLM industry since about that time as well. I have been ripped off more times than succeeded by MLM companies. I have also been involved with legitimate companies and still am.

I oppose the 7 day waiting period, because, it will be impossible to regulate with illegitimate companies. However, it is a good idea, and good ideas will become standards with legitimate companies without regulations.

Earnings claims are already regulated. To add to this regulation doesn't assure they will be true. **I oppose further regulation and find this additional regulation to be cumbersome and excessive.**

Litigation disclosure is unnecessary. Enforcement of existing law is. **Many companies and individuals who have lost to illegal operational litigation are often barred from conducting further business in this industry. Strict enforcement of these court ordered bans are all that is necessary.** Furthermore, requiring the disclosure of pending or dismissed litigation is damaging and unfair.

Requiring references is good business, but should not be regulated. We teach and uphold that anyone looking at doing business, regardless, should check the references of the company the prospect is considering doing business with. Just like hiring a Real Estate agent or buying a car, the buyer should have the good sense to do the background checking. **Regulating this will not prevent fraud.** Regulating this will cause privacy violations and undo hardship on both the company and the distributors.

Statistics of cancellations and refunds. This regulation is unfair and unnecessary. What other industry has this regulation imposed on them? Does AOL disclose the fact that 80% of there subscribers cancel within one year? Will insurance companies have to disclose this next? What value does this represent,

other than to cause undo concern. Cancellations are a part of business, but to make this a forced regulation will only cause harm to the industry.

Disclosure of cancellation or refund policy. This is standard policy with almost every legitimate company already. It is also required by most merchant accounts. To make this an added regulation will only cause greater bureaucratic cost and is not necessary as the industry self regulates this already.

The network marketing industry is one of the few remaining opportunities for people to leverage their time and limited resources to earn additional income or to create a new career. Once scoffed at by investors, many network marketing companies are publicly traded on Wall Street including Herbalife, Nu Skin, Pre-Paid Legal Services, USANA and others. Network marketing is being used by blue-chip corporations including Citigroup, MCI and IBM. Top business management leaders and *New York Times* best-selling authors Robert Kiyosaki, Paul Zane Pilsner, and Steve Covey have endorsed network marketing.

The industry is also growing in popularity and contributes to the US economy. This growth should be encouraged. There are 13 million Americans involved in this network marketing industry today. Lastly, the network marketing industry contributes to our growing economy. Sales of products and services through network marketing are estimated at more than \$29 billion in 2003. **Creating undo regulations will motivate many companies to consider moving their operations out of the US. Your proposed regulations will only contribute to this trend and cause the continued loss of US jobs.**

I understand and value the role of the FTC mission “**to stand up for America’s free market process and for its consumers, who benefit from competitive markets in which truthful information flows**”. However, these proposed new rules exceeds what is necessary. What is necessary is enforcement of existing law. We live in a free market economy where people have the responsibility of making informed decisions based on best information. A better approach would be to provide consumers with objective criteria when analyzing a business opportunity and let an informed market proceed. I am in support that disclosures should be made during the sales process, but without the regulations you are proposing.

I have been in this industry for almost 1 year. The majority of the people I have gotten to know are good, honest, hard working people. **There is a minority of predators on the Internet and this industry. But proper law enforcement is all that should be required for the existing laws we have right now, to punish the predators.**

Thank you, in advance, for reading my comments.

Best regards,

Ken Ames